AMENDATORY SECTION (Amending WSR 01-21-071, filed 10/18/01, effective 11/18/01)

- WAC 308-93-445 Personal property lien--Chattel((\( \) landlord)). (1)
  What is a chattel lien? For the purposes of this ((\( \) section \)) chapter, a
  ((\( \) \)) chattel lien((\( \) means \)) is a process by which a person may sell or take ownership of a vessel when: ((\( \) lien obtained by any person, firm or company who provides services or materials for a vessel at the owner's request, in the event of nonpayment by the owner. A person or firm that provides services or material for a vessel at the owner's request may obtain a lien on such vessel. In the event of nonpayment the lien may be foreclosed as provided by law.))
- $\underline{\mbox{(a)}}$  They provide services or materials for the vessel at the request of the registered owner; and
- $\underline{\mbox{(b)}}$  The person who provided the services and/or materials has not been compensated.
- (2) What ((documentation does the department require)) documents are required to issue a certificate of ownership for a vessel ((obtained through the chattel lien process))? ((In addition to other documents required by law or rule, the department requires:)) The required documents include:
- (b) A <u>certified</u> copy of ((<del>a court order awarding the vessel to the claimant</del>)) the lien filing that is filed with the county auditor; and
- (c) A copy of the letter sent by the lien applicant via first class mail to the registered and legal owner; and
- (d) A copy of the certified or registered mail, including the return receipt, to the address of the current registered and legal owner notifying the current registered and legal owner of the lien filing, and an affidavit of service by mail; and
  - (e) Application for certificate of ownership; and
  - (f) Other documents that may be required by law or rule.
- (3) When is a <u>Washington</u> court order required ((by the department)) to issue a certificate of ownership as a result of a chattel lien? A court order is required when:
- (a) The vessel is no longer in the possession of the person(( $\frac{\text{business}}{\text{who is}}$ )) claiming the chattel(( $\frac{\text{landlord}}{\text{lon}}$ )) lien; or
  - (b) Someone other than the owner of record requested the services; or
  - (c) There is ((an existing lien holder on record; or
- In order to remove an existing lien holder from the record, the court order must specifically authorize the removal of the lien. If it does not, the claimant may:
- (i) Negotiate with the lien holder to obtain either a release of interest or a new security agreement; or
- (ii) Petition either the court that issued the original order, or a higher court to have the matter of secured interest resolved; or
  - (d) There is more than one lien claimed against the vessel.
- In order to remove an existing lien holder from record, the court order must specifically authorize the removal of the lien. If it does not, the claimant may:
- (i) Negotiate with the lien holder to obtain either a release of interest or a new security agreement; or

- (ii) Petition either the court that issued the original order, or a higher court to have the matter of secured interest resolved)) no record of the vessel on file with the department.
- (4) What ((is a landlord)) laws regulate chattel liens? ((For the purposes of vessel licensing and titling, a landlord lien is an encumbrance on a vessel as security for the payment of moneys owed for rent.
- (5) Can a landlord lien be attached to a vessel adrift? Vessels adrift as defined in RCW 88.26.020 do not qualify for landlord liens.
- (6) Can a landlord lien be attached to a vessel moored in a private marina? No, lien foreclosures are defined in RCW 60.10.020 and 61.10.023.
- (7) What documents does the department require to issue a certificate of ownership for a vessel obtained through the landlord lien procedure? In addition to other documents required by law or rule the department requires:
- (a) A completed affidavit of sale chattel/landlord lien form provided or approved by the department; or
  - (b) A copy of a court order awarding the vessel to the claimant:
- In order to remove an existing lien holder from the record, the court order must specifically authorize the removal of the lien. If it does not, the claimant may:
- (i) Negotiate with a secured party to obtain either a release of interest or a new security agreement; or
- (ii) Petition the original court that issued the order, or higher court, to have the matter of secured interest resolved.
- (8) When does the department require a court order to issue a certificate of ownership as a result of a landlord lien? A court order is required when:
- (a) The vessel is no longer in the possession of the person/business who is claiming the landlord lien; or
- (b) The vessel owner of record is someone other than the person owing for rent; or
  - (c) There is an existing lien holder on record.
- In order to remove an existing lien holder from the record, the court order must specifically authorize the removal of the lien. If it does not, the claimant may:
- (i) Negotiate with the lien holder to obtain either a release of interest or a new security agreement; or
- (ii) Petition either the court that issued the original order, or a higher court to have the matter of secured interest resolved.
  - (d) There is more than one lien against the vessel.
- In order to remove an existing lien holder from the record, the court order must specifically authorize the removal of the lien. If it does not, the claimant may:
- $\hspace{0.1in} \hbox{(i)}$  Negotiate with the lien holder to obtain either a release of interest or a new security agreement; or
- (ii) Petition either the court that issued the original order, or a higher court to have the matter of secured interest resolved.
- (9) Why is a court order required for a landlord lien if there is a lien holder on the existing record? In order to record a security interest on a Washington certificate of ownership, there must be a security agreement between the registered owner and the legal owner except for government liens as provided in law. The security agreement on record was not established between the legal owner and the new applicant.)) Chapters 60.08 and 60.10 RCW regulate chattel liens.

## NEW SECTION

WAC 308-93-446 Personal property lien--Landlord's lien for rent. (1) What is a landlord's lien for rent? For the purposes of this chapter, a landlord's lien for rent is a process by which a landlord may sell or take ownership of a tenant's vessel as security for rent due.

This chapter does not apply to vessels (including transient vessels) moored or stored at a private moorage facility (see chapter  $88.26\ RCW$ ).

- (2) What documents are required to issue a certificate of ownership for a vessel obtained through the landlord's lien for rent process? The required documents include:
- (a) A completed affidavit of landlord lien form provided or approved by the department;
  - (b) Application for certificate of ownership; and
  - (c) Other documents that may be required by law or rule.
- (3) When is a Washington court order required to issue a certificate of ownership as a result of a landlord's lien for rent? A Washington court order is required when there is no record of the vessel on file with the department.
- (4) What laws regulate landlord's liens for rent? Chapters 58.18, 60.10, and 60.72 RCW regulate landlord's liens for rent.

## NEW SECTION

WAC 308-93-447 Personal property lien--Self-service storage facilities. (1) What is a self-service storage facilities lien? A self-service storage facilities lien is a process by which the owner of a self-service storage facility may sell a vessel stored at the facility as security for rent or other charges due.

- (2) What documentation is required to obtain a certificate of ownership for a vessel obtained through the self-service storage facilities lien process? The required documents include:
- (a) A completed affidavit of self-service storage facilities lien form provided or approved by the department;
  - (b) Application for certificate of ownership; and
  - (c) Other documents that may be required by law or rule.
- (3) When is a Washington court order required to issue a certificate of ownership as a result of a self-service storage facilities lien?
- (a) The vessel is no longer in the possession of the person who is claiming the self-service storage facilities lien; or
  - (b) There is an existing lien holder on the vessel record; or
  - (c) There is no record of the vessel on file with the department.
- (4) What law regulates self-service storage facilities liens? Chapter 19.150 RCW regulates self-service storage facilities liens.